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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

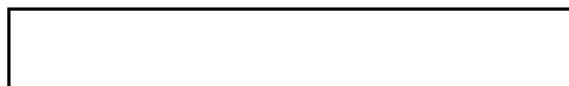
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21 December 1959

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

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Summary of Events 4 - 17 December 1959

Ethiopia and Czechoslovakia announced on 11 December the signing of economic, technical, and cultural agreements that reportedly provide \$10 million in credits for mining, transportation, and other industrial projects.

Delivery to Argentina of Soviet vehicles and petroleum equipment has begun in partial utilization of the \$100 million Soviet credit agreement. The shipment will include trucks, bulldozers, tractors, and helicopters as well as equipment for the exploration, drilling, and production of petroleum. Argentine officials have stated that at least 15 to 20 Soviet technicians are scheduled to arrive in Argentina to supervise the assembly and installation of the equipment and to train local pilots in the operation of the helicopters.

Argentina has purchased 80 diesel motor coaches from Hungary for the Argentine State Railways.

On 9 December, Brazil and the USSR signed a 3-year trade agreement calling for an exchange of goods totaling \$208 million. The main Brazilian export will be coffee, and 80 percent of Soviet exports to Brazil will consist of petroleum, petroleum derivatives, and equipment for the petroleum industry.

The recent Czechoslovak credit of \$48.5 million for India's Third Five Year Plan continues to point up the current importance of Czechoslovakia's role in the economic offensive of the Sino-Soviet Bloc in underdeveloped countries of the Free World. The foreign trade plans of Czechoslovakia reveal Czechoslovak intentions of a sizable expansion of trade with these countries during 1959-65.

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